

Guaranty Agency Total and Permanent Disability Discharge Assignment Procedures

Appendix VII – Veterans Disability Discharge

Attachment to September 2010 Electronic Announcement (Updated May 2011)

1. SUMMARY/OVERVIEW

Veteran borrowers will be considered eligible for discharge due to total and permanent disability (TPD) if the veteran provides documentation from the U.S. Department of Veterans Affairs showing that the veteran has been determined to be **unemployable due to a service-connected condition**. If the loan holder finds that a veteran qualifies for discharge under this standard, the discharge application must be referred to the U.S. Department of Education (the Department) for a discharge determination. Guidance for determining whether the veteran qualifies for discharge due to total and permanent disability under this standard can be found in [Dear Colleague Letter GEN-09-07](#). This document provides instructions for guaranty agencies to refer discharge applications to the Department.

2. APPLICATION REFERRAL

If the borrower appears to be eligible for a total and permanent disability discharge based on the VA documentation, the guaranty agency must submit a **copy** of the discharge application and supporting documentation to the Department, and notify the borrower that his or her disability discharge request has been submitted to the Department for further review. The guaranty agency **must not** assign the loan to the Department.

3. ONLINE SUBMISSIONS

If the Guaranty Agency (GA) refers the discharge application online, the GA must log in to the online VA Loan Discharge Processing System at www.vetstudentloanassistance.com. The GA must have an authorized user ID and password. From the main page, click on the VA Discharge Application tab.

Note: To obtain a user ID and password, the GA will need to contact the Nelnet TPD Servicer at VAdisabilityinformation@nelnet.net.

Enter the user ID (in the “Agency” field) and password and then click “Login.”

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VA Disability Discharge Application

Specify Your Login Type

☒ VA ☐ ED

Enter your agency login information

User name: SSL

Password: SSL

Login



After clicking the login box, the system will open to the Submit a New VA Disability Discharge Application page.

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VA Apps

- [My Applications](#)
- [Advanced Search](#)
- [Submit New Discharge App](#)

[Log out](#)

Submit a New VA Disability Discharge Application

SSN:

Borrower First Name:

Borrower Last Name:

Disability Type:

☐ The veteran has a service-connected disability that is 100% disabling

☐ The veteran is totally disabled based on an individual unemployability determination

Effective Date of Disability: (mm/dd/yyyy) If both types of disability are selected enter the earliest effective date

GA Employee Name:

GA Employee Email:

GA Employee Phone:

Comments:

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* If submitting an attachment, please ensure that your file name has a [valid file extension](#).

Submit VA Discharge App

The GA must enter all of the requested information and upload the loan discharge application along with supporting information from the Department of Veterans Affairs that identifies the applicant, the disability type, and the effective date of the disability. If the GA is not sure of the disability type or does not have the effective date of the disability, it should leave those items blank. After entering the information in the required fields and uploading the attachments, click the “Submit VA Discharge App” button at the bottom of the page.

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VA Apps

- [My Applications](#)
- [Advanced Search](#)
- [Submit New Discharge App](#)

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Submit a New VA Disability Discharge Application

SSN: 123456789

Borrower First Name: Test Borrower Last Name: Case

Disability Type: ☒ The veteran has a service-connected disability that is 100% disabling ☐ The veteran is totally disabled based on an individual unemployability determination

Effective Date of Disability: (mm/dd/yyyy) If both types of disability are selected enter the earliest effective date

GA Employee Name: Johnny Doe GA Employee Email: 1234@com

GA Employee Phone: 111-222-3333

None

Comments:

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[Submit VA Discharge App](#)

Done

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After clicking the submit button, the system will provide a message that the application has been received.

VA Discharge Application Administration - Mozilla Firefox

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VA Apps

- My Applications
- Advanced Search
- Submit New Discharge App

Log out

Submit a New VA Disability Discharge Application

SSN: 123456789

Borrower First Name: Test

Borrower Last Name: Case

☒ The veteran has a service-connected disability that is 100% disabling

Disability Type: ☐ The veteran is totally disabled based on an individual unemployability determination

Effective Date of Disability: (mm/dd/yyyy) If both types of disability are selected enter the earliest effective date

GA Employee Name: Johnny Doe

GA Employee Email: 1234@com

GA Employee Phone: 111-222-3333

None

Comments:

Attachment:

* If submitting an attachment, please ensure that your file name has a valid file extension.

Your VA Discharge Application has been received. Your request number is 3541

Done

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4. E-MAIL SUBMISSIONS

If the GA refers the discharge application via e-mail, the GA must send an image of the borrower's discharge application and supporting documentation in a password-protected .zip file (and send the password in a separate e-mail) to disabilityinformation@nelnet.net with the subject line "RE: Veterans Disability Discharge." The image file may be in .pdf or MS Word compatible formats (.doc, .docx, .rtf, .txt...etc).

Please include a contact name, phone number and e-mail address with each e-mail submission.

5. MANUAL/PAPER SUBMISSION

If the GA refers the discharge application manually, the guaranty agency must send a copy of the discharge application and supporting documentation to the Department at the following address:

Nelnet Total and Permanent Disability Servicer
3015 South Parker Road, Suite 400
Aurora, CO 80014

Please include a contact name, phone number and e-mail address with each submission.

Guaranty agencies must double package all documents in opaque materials that are approved by the shipping guaranty agency (DHL, FedEx, UPS, USPS, etc.). Both the "TO" and "FROM" addresses must be included on both the inner and outer packages. Shipping agents must have the capability of tracking the shipment's status and must require signatures upon receipt. The package should not identify the

sensitivity of the contents.

6. CONTACT INFORMATION

For submission questions, please contact the TPD Servicer by phone at 888-303-7818, by fax at 303-696-5669, or by e-mail to disabilityinformation@nelnet.net. When faxing or e-mailing, include "RE: Veterans Disability Discharge" in the subject line.

7. DOCUMENT VERIFICATION

After receiving the TPD application and supporting documentation from the guaranty agency, the Department will review the VA documentation. The Department may also contact the VA for more complete information regarding the borrower's VA disability rating.

Receipt of a Title IV loan after the effective date does not disqualify a borrower for a TPD discharge; therefore the Department will not review the borrower's National Student Loan Data System (NSLDS) records for this purpose.

8. NOTIFICATION OF ELIGIBILITY, EFFECTIVE DATE AND REFUNDS

The Department notifies the guaranty agency of each veteran borrower's eligibility for discharge via e-mail in a password-protected .zip file. The notification will include each veteran's:

- Name;
- Social Security Number;
- Eligibility Status; and
- Effective Date of the Grant of Disability by the VA.

Upon notification that the borrower qualifies for a discharge, the guaranty agency pays the discharge claim to the lender. The lender notifies the borrower of the discharge and refunds any payments that were made on or after the effective date of the grant of disability by the VA. If the guaranty agency is the loan holder, guaranty agency notifies the borrower and refunds the payments.

9. APPLICATION DENIAL

If the application is denied by the Department, the guaranty agency returns the claim to the lender. The lender notifies the borrower that the discharge request has been denied, and that the borrower must resume payment on the loan. If the guaranty agency is the loan holder, the guaranty agency notifies the borrower.

If the VA documentation suggests that the borrower may be totally and permanently disabled, but the borrower is not eligible for the total and permanent disability discharge process described in this letter because the borrower's disabilities are not service-connected, the loan holder must advise the borrower to re-apply for a TPD discharge through the standard TPD discharge process. To re-apply for a total and permanent disability discharge under the standard process, the borrower must have a physician complete the Physician's Certification Section of the TPD application and resubmit the TPD application to the guaranty agency. The borrower may include the VA documentation, as well as any other supporting documentation, along with the completed TPD application. The Department will take the VA documentation into consideration when conducting its medical review.